

2 March 1959

SUBJECT: Points Raised on NIEs 100-59 and 11-4-58 at Planning Board

After your presentation, Mr. Gray intends to raise certain of the following points made at the Planning Board. We have added suggested lines of response:

1. The Estimate of the World Situation is too complacent, more so than last year. This criticism was raised on two grounds: (a) that the underlying trends were still against us, in terms of the continued more rapid growth of Sino-Soviet power, and (b) that the NATO portion was more optimistic than that in NIE 100-58 (see below).

The World Situation estimate is primarily a short-term one, which reviews the past year generally and looks ahead a short way. We are in fact more reassured in the short term by flattening out of the adverse trend in the underdeveloped world, and the fact that our worries about Western European weakness last year were perhaps overstated. However, we did not seek to slight the growth of Sino-Soviet power; we did not rehearse it in detail because we had just completed two major NIEs on the USSR (11-4) and China (13-2).

2. The picture of NATO is "a little euphoric." This criticism probably arose because many did not read beyond paragraph 2 of the Conclusions. Actually NIE 100-59 gives a balanced presentation. At the beginning and end of the NATO section (paragraphs 25 and 33) we referred to the underlying European adherence to the concept of collective security (i.e. NATO will not collapse) but in

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between we devoted far more space (paragraphs 25-32) to major problems of the alliance - the questioning of NATO strategic concepts and of nuclear deterrence, French hyper-nationalism, possible changes in Bonn's role in NATO, and interest in disengagement.

3. The Soviets are not likely to take greater risks of war, as stated in the Joint Staff and Air Force dissents. Our estimate generated lively discussion, since the majority are saying clearly for the first time that the Soviets may even envisage a limited war in which the US and Soviets are directly engaged (paragraph 16). Thus the majority are questioning the credibility (to the Soviets) of our present strategic concept, i.e. that we will go to general war if we become engaged directly with the Soviets. However, the clear thrust of our estimates over the past few years (e.g., paragraph 5 of 11-4-58) has been that as their own nuclear capabilities grow, the Soviets will probably become more and more convinced of our unwillingness to up the ante from limited to general war.

4. The risks of general war by accident have increased. This point was not made in criticism but as something which should be emphasized (as it is in paragraph 17 of 100-59). The concern was not so much over a missile going off by accident, or over a bomber not being recalled, as over one side misinterpreting the other's intentions in a crisis situation. With the advent of hair-trigger capabilities on both sides, and with the premium on surprise, the Soviets might see in a pattern of precautionary moves on our part an intention to strike, and launch a pre-emptive strike of their own.

5. The frightening developments in Communist China should have been emphasized. In referring to the Bloc we used "Sino-Soviet" wherever appropriate

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to make clear we meant both Peiping and Moscow. There was no intent to minimize this problem, and we just completed a major paper (NIE 13-2-59, 10 February) on it.

6. Comparisons of Bloc and US GNP or military expenditures can be misleading. Budget or Treasury will probably bring up this old implication as to whether we are not overstating Bloc achievements. We are giving a special briefing on 3 March to the Planning Board, directed primarily at the comparison of US and Soviet military expenditures in the chart on page 16 of NIE 11-4-58. This is made in dollar terms, i.e. valuing their output and personnel costs as we would our own, but it could be done just as well in rubles. In each case we are seeking comparability of effort. If the question arises as to why the Soviets seem to get so much more out of a comparable outlay (if valued in dollars), it is because in the USSR military end - items are less expensive, relative to consumption items than in the US, and because Soviet personnel costs are actually far less. Also we put more into such expensive items as heavy bombers and tankers, naval vessels (including carriers), naval air, and probably air defense missiles.